



HUMBOLDT COUNTY RURAL ELECTRIC COOPERATIVE

1210 THIRTEENTH STREET NORTH

HUMBOLDT, IOWA 50548

515-332-1816

FAX COVER SHEET

SENDING TO: Federal Communications Commission FAX # 1-202-632-0163

ATTENTION: Chairman Reed Hundt

FROM: Humboldt County Rural Electric Cooperative; Dennis Fuller, Manager

DATE: July 28, 1994

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July 28, 1994

The Honorable Reed Hundt, Chairman
Federal Communications Commission
1919 M Street, NW, Rm. 814
Washington, DC 20554

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RE: Cable Competition Report
CS Docket No. 94-48

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Chairman Hundt:

I am writing this letter in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

As a rural electric member of NRTC and distributor of the DIRECTV™ direct broadcast satellite (DBS) television service, our cooperative is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, our cooperative's ability to compete in our local marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks like HBO, Showtime, Cinemax, The Movie Channel, MTV, Nickelodeon, and others, is available only to our principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

In contrast, none of the programming distribution contracts signed by DIRECTV™ are exclusive in nature, and USSB is free to obtain distribution rights for any of the channels available on DIRECTV™.

Mr. Hundt, our cooperative agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. I believe that the Act prohibits any arrangement that prevents any distributor from gaining access to programming to serve non-cabled rural areas. Under the present circumstance, if one of our DIRECTV subscribers also wishes to receive a Time Warner/Viacom product, that subscriber must purchase a second subscription to the USSB service. This hinders effective competition, and as a consequence keeps the price of the Time Warner/Viacom channels unnecessarily high. It also increases consumer confusion at the retail level.

Not having access to the Time Warner/Viacom services has also adversely affected our ability to compete against other sources for television in our area.

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The Honorable Reed Hundt, Chairman
Federal Communications Commission
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We believe very strongly that the 1992 Cable Act flatly prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America. I strongly urge you to banish the type of exclusionary arrangements represented by the USSB/Time Warner/Viacom deal.

Thank you for your consideration in this matter.

Sincerely,

Dennis Fuller

Dennis Fuller
Manager

cc: The Honorable Senator Charles Grassley
The Honorable Senator Tom Harkin



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HUMBOLDT, IOWA 50548

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July 28, 1994

The Honorable Senator Charles Grassley
United States Senate
Washington, D.C. 20510

Dear Senator Grassley:

I am writing this letter to voice a concern I have regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

As a distributor of DBS and C-band satellite television programming, equal access to cable and broadcast programming at fair rates—something which we are not currently receiving—is essential for Humboldt County Rural Electric Cooperative to be competitive in our local marketplace.

The attached letters to FCC Chairman Reed Hundt and Senator Tom Harkin, spell out our concerns on this issue.

It was my impression that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers—like Time Warner and Viacom—have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

I would greatly appreciate your assistance on behalf of rural consumers in Iowa in encouraging the FCC to correct this inequity.

Sincerely,
Dennis Fuller
Dennis Fuller
Manager

cc: The Honorable Senator Tom Harkin
The Honorable Reed Hundt



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The Honorable Reed Hundt